

VZCZCXRO2777
PP RUEHLN RUEHVK RUEHYG
DE RUEHDBU #0607 0951052
ZNR UUUUU ZZH
P 051052Z APR 06
FM AMEMBASSY DUSHANBE
TO RUEHC/SECSTATE WASHDC PRIORITY 7113
INFO RUEHAK/AMEMBASSY ANKARA PRIORITY 1499
RUEHBJ/AMEMBASSY BEIJING PRIORITY 1523
RUEHRL/AMEMBASSY BERLIN PRIORITY 1508
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 1479
RUEHBUL/AMEMBASSY KABUL PRIORITY 1425
RUEHLO/AMEMBASSY LONDON PRIORITY 1463
RUEHFR/AMEMBASSY PARIS PRIORITY 1348
RUEHGV/USMISSION GENEVA PRIORITY 0038
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1436
RUEHKO/AMEMBASSY TOKYO PRIORITY 1279
RUCPDO/USDOC WASHDC PRIORITY 0088
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC
RUCNCIS/CIS COLLECTIVE
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC
RUEKJCS/JOINT STAFF WASHDC
RHMFISS/HQ USCENCOM MACDILL AFB FL
RHMFISS/HQ USEUCOM VAIHINGEN GE
RHMFISS/HQ USSOCOM MACDILL AFB FL
RUEHNO/USMISSION USNATO PRIORITY 1499
RUEHVEN/USMISSION USOSCE PRIORITY 1544
RUCNDT/USMISSION USUN NEW YORK PRIORITY 1063
RUEHBS/USEU BRUSSELS PRIORITY 0856
RUEHDBU/AMEMBASSY DUSHANBE 8289

UNCLAS DUSHANBE 000607

SIPDIS

SENSITIVE
SIPDIS

STATE FOR SCA/CEN, EUR/RUS, EB

E.O. 12958: N/A

TAGS: [PGOV](#) [ECON](#) [EINV](#) [RS](#) [TI](#)

SUBJECT: TAJIKISTAN'S SERENA HOTEL: "OH, ALL RIGHT, WE'LL DO IT YOUR WAY"

REF: DUSHANBE 0402

¶1. (U) Sensitive but unclassified. Please handle accordingly. Not for public Internet.

¶2. (SBU) At an Aga Khan lunch March 31 for Deputy Prime Minister Gulomov, Aga Khan Resident Representative Munir Merali told the Ambassador senior levels at Aga Khan offices in Geneva have reconsidered their first reaction (ref) and have decided to comply with Dushanbe Mayor Obaidulloyev's and President Rahmonov's demand to tear down the historic building on the site of the new Serena Hotel in Dushanbe rather than use it as the basis for their new hotel. They will replace it with an ultra-modern steel-and-glass mid-rise structure. Merali said initial razing at the site had already begun, and he expected the mayor to issue the edict that supposedly required to destroy a historic building sometime during the week of April 3.

¶3. (U) Apart from the Serena, two other five-star hotels are in the works, and a third, though long-stalled, is not yet counted out. The RusAl-financed Hyatt Regency has started preliminary site work in Komsomolskiy Park, and the temporary construction-office buildings are going up quickly. The land has been cleared on Rudaki Avenue, a block from the current U.S. Embassy, for a 10-story, neo-Soviet-style hotel co-financed by the First Family's Orien Bank and the Turkish group, Kaynak. Further, city officials continue to insist the Indian-invested Crowne Plaza Hotel will begin construction this spring, although two-thirds of the land originally allotted for it has been reallocated to RusAl to build its new Dushanbe business headquarters.

¶4. (SBU) COMMENT. Given Tajikistan's current state of economic development, and the enormous difficulty for international travelers to get to Dushanbe, there is absolutely no way that four -- yes, four -- five-star hotels can be economically profitable. If they all survive, it could only be through generous economic subsidies, from whatever sources, for the foreseeable future. END COMMENT.

MORE TO COME

¶5. (U) During a government meeting on March 30, President Rahmonov gave orders to start plans for a new Parliament, new National Library, and new National Museum. All are currently housed in historic buildings on Rudaki Avenue.

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